Introduction of uniform VRS in Public Sector

3108. SHRI P. PRABHAKAR REDDY : Will the Minister of DISINVESTMENT be pleased to state :

(a) whether Government's attention has been drawn to the news-item captioned "Cabinet nod for uniform VRS in public Sector" published in the Telegraph, dated 17th March, 2000;

(b) if so, the details of the cabinet decision taken with regard to the enforcement of V.R.S. in public sector undertakings;

(c) by when the decision is likely to be implemented;

(d) by when the policy of 'golden handshake' is likely to be followed uniformly in respect of all sick public sector undertakings; and

(e) if not, the reasons therefor;

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY) :

(a) Yes, sir.

(b) and (c) Government have decided to modify the existing Voluntary Retirement Scheme (VRS) which is applicable to the employees of Central Public Sector Undertakings (CPSUs). Under the existing scheme compensation is permitted on a scale of 45 days salary for each completed year of service subject to the quantum not exceeding the salary which the employee is to draw for the balance of service left. An employee should have put in a minimum of 10 years of service or attained the age of 40 years.

Under the modified scheme, enterprises, which are financially sound and capable of funding scheme on their own resources, may implement therein own variants of the existing VRS. The compensation, however, will not exceed 60 days salary for each completed year of service or the salary for the number of months' service left before superannuation whichever is less.

Enterprises that are marginally profit making or incurring losses are to adopt a revised and improved pattern of VRS modelled on a scheme introduced in Gujarat. Under this arrangement 35 days salary will be offered for each

completed year of service and 25 days of salary for each year of service left until superannuation. The compensation will not however, exceed the total salary of the employees for the balance of service left.

In case of units which are sick and facing closure, a scheme of Voluntary Separation (VSS) has already been introduced as per the announcement made by the Finance Minister in his budget speech for the year 1998-99. The scheme provides a safety-net to the workers offering them higher compensation relief than the statutory retrenchment compensation. Budgetary support is visualised in case bank credit or other means are not available for funding the VRS/VSS.

(d) and (e) At present there is no policy of "Golden Handshake" nor is there any proposal to introduce a scheme of "Golden Handshake".

Objectives of Disinvestment Policy

3109. SHRI SURESH PACHOURI : Will the Minister of DISINVESTMENT be pleased to state :

(a) the objectives of Government's Disinvestment policy;

(b) how far Government have been successful in achieving these objectives;

(c) the targets set for disinvestment in PSUs;

(d) how far these have been achieved; and

(e) the details of reasons for shortfalls in achieving the targets?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY) : (a) and (b) The Government's disinvestment policy is aimed at optimal utilization of capital, better corprate governance, reduction in commercial risk of tax payer's money, release of scarce resources for deployment in social sectors like family welfare, health, education and other sectors of great public interest.

(c) and (d) The targets and proceeds realised from disinvestment during last three years are indicated below :—